

Certain tax exempt lodges and similar organizations chartered by a parent are not permitted, under the terms of their charters, to hold real estate or conduct club activities. Many such chartered organizations organize separate operating organizations for the purpose of owning, operating, maintaining and managing building and to conduct club activities for the benefit of the chartered organizations. In most instances, the membership of the operating organization is limited to the same membership as the chartered organization. Held, where the operating organization actually engages in club activities and furnishes the chartered organization a meeting place, such an organization may qualify for exemption from Federal income tax as a club under section 501(c)(7) of the Internal Revenue Code of 1954.